

Greater Fifth Ward

GREATER FIFTH WARD (GREATER FIFTH WARD AND KASHMERE)

1. Key Market Characteristics

This is a highly mixed-use market with only 30.7% of the land, residential in nature. A historically African American community, increasingly Hispanic households are entering the market due to relative land constrictions to the east and west. Over 230 new homes have been built in the market, the highest ratio per mile of all the Houston Drill Down Markets. This is a very low-density community with a high percentage of vacant lots and buildings: over 2,250 or 19.0% of all parcels. The average household income, after taking into consideration the cash economy, is only \$19,740.

2. Size

Residential: The Drill Down revealed a market with a population of 45,400 compared with the Census 2000 finding of 31,300; a 45.1% differential. There are three key factors contributing to this variance:

- **Documented Households:** Census 2000 recorded 10,922 households. Yet the Drill Down found 2,496 more households with active documented credit histories. This narrows the differential down to 2,300 households or 21.8% (more in keeping with the findings in the other markets).
- **Undocumented immigrants:** Additionally, building on INS records, the Drill Down uncovered 800 documented Mexican immigrants. Using very conservative estimates of two undocumented immigrants for every documented immigrant, this accounts for an additional 1,600 people. These people would not be likely to participate in the census.
- **Undercounts:** Due to the degree of low maintenance inherent in large numbers of blocks, it is very likely that census takers mistakenly designated properties as vacant that were in fact occupied. This is most likely in 1990 as well as 2000. Relatedly, very low-income households living in unrelenting, chronic poverty are likely to be disengaged from mainstream institutions and see no benefit to participating in the census.

Density: In light of the fact that only 30.7% of the land is residential in nature, and since household size is low (averaging 2.87 persons), this is a very low density market averaging 8.4 persons and 2.9 households per-acre.

Employees: There were 822 businesses employing almost 11,000 persons and generating \$2,874,000,000 in revenue in 2000.

3. Change in Market

Change in Size: The Drill Down reflects a change in population from Census 1990 figure of 37.8%. This however is not necessarily a function of “growth” but rather a significant undercount in 1990 and enhanced Drill Down data sources and methodologies that allow for the capturing of households and populations that otherwise go uncounted. (See notes above regarding market size.)

Potential Market Expansion Capacity: Based on real estate development patterns, current land use and land availability; it is very conservatively projected that the Greater Fifth Ward market could support the development of 4,000-plus more units (26.2%) over the next ten years. This compares with a Claritas projection of a market constriction of 1.4%.

4. Buying Power

Income: Average household income, adjusted for the cash economy, is \$19,740. Compared to the Census 1990 average income figure of \$15,994. When adjusted for inflation, current incomes fall approximately \$2,000 short of the 1990 figure. Aggregate household income for the market is approximately \$312 million.

The Cash Economy is a significant factor contributing approximately \$31 million or 9.9% to the aggregate household income figure of \$312 million.

Unbanked Households: 47.6% of the households do not have documented banking relationships.

5. Real Estate Activity

Home Values: Based on all recent (2000 and first half 2001) documented single-family sales in the market (151 sales), the average sales value was \$46,950. Additionally, the permit values of newly constructed single-unit properties (232, during 1994 – 2000) averaged \$55,000. These figures compare with census upgrade projections of \$31,540 for median home value.

Owner Occupancy: Owner occupancy when measured at a building level is 47.5%, when measured at a unit level is only 27.3%. This is a function of the housing stock – 39% of the units are in 2 – 9 unit buildings in which the owner often lives in one unit and rents out the remainder. In light of the fact that the Drill Down uncovered approximately 3,600 more occupied housing units than the census, Drill Down owner occupancy at a unit level is less than the Census 2000 figure (27.3% vs. 37.8%).

6. Market Change Indicators

- Population Growth: 37.8% increase over the Census 1990
- Home Value Appreciation: 36.7% over Census 1990 (based on recent sales)
- Vacancy at a unit level: declined from 23.9% in 1990 to 13.1% in 2000 based on census figures
- Owner Occupancy at a building level: 47.5%
- Building Permits: 13.2% of all buildings had permits

7. Risk / Stability Indicators

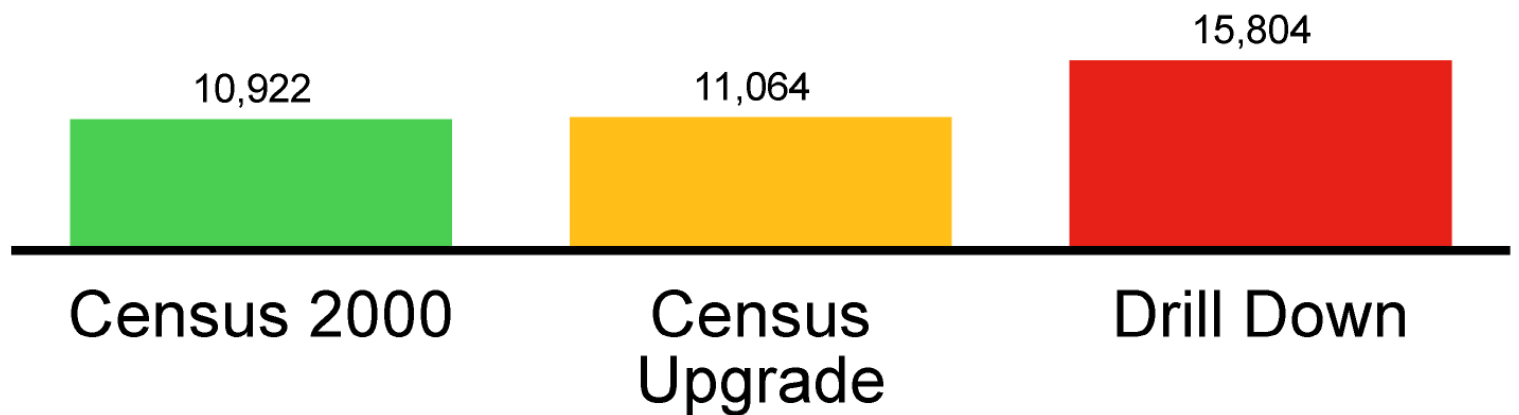
- Crime: All crime declined 16.5% between 1997 and 2000 to 75.47 incidents per thousand. This compares with 67.42 incidents per thousand for the City of Houston.
- Owner Occupancy: Unit level: 27.3%; Building level: 47.5%
- Vacancy at a unit level: declined from 23.9% in 1990 to 13.1% in 2000 based on census figures

8. Major surprises and findings dramatically inconsistent with mainstream market research

This community is far larger than generally perceived and is reflecting the early presence of Mexican American and Mexican residents. The business community is very significant with \$2.875 billion in revenues and 11,000 employees. Equally significant, 65.0% of these businesses have overcome the 3-year survival hurdle

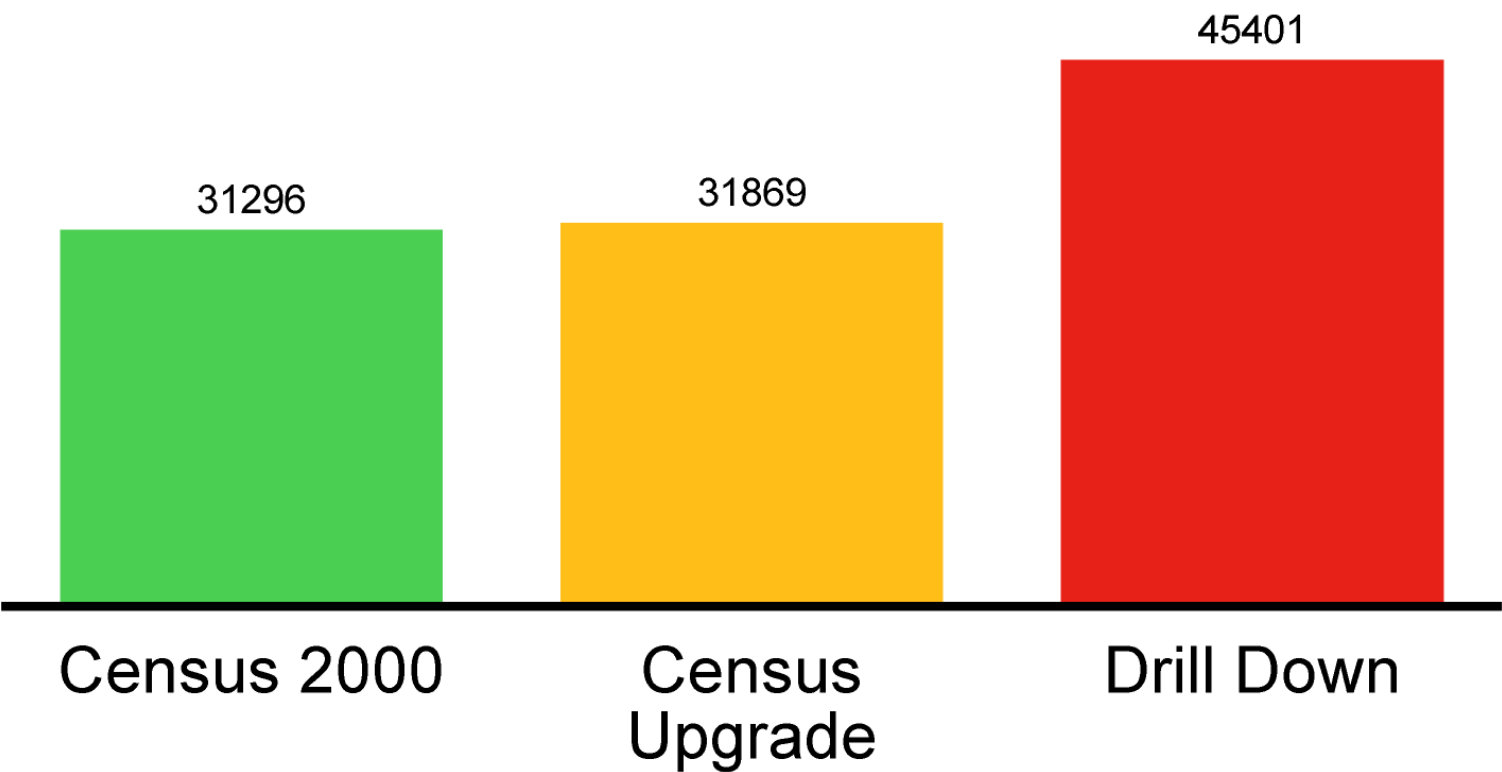
Houston – Greater Fifth Ward

Number of households



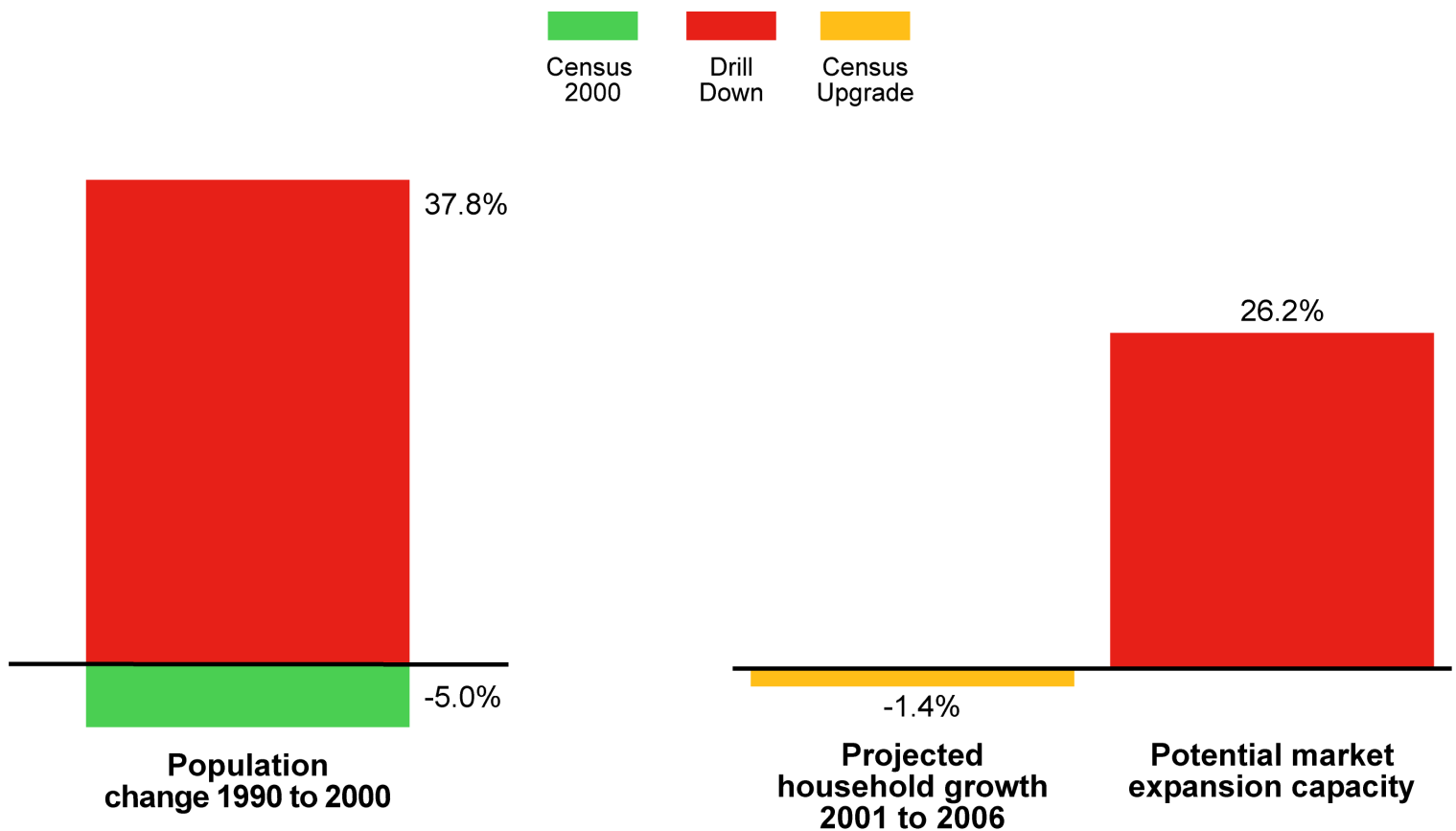
Houston – Greater Fifth Ward

Population 2000



Houston – Greater Fifth Ward

Change in population (% change 1990 to 2000)

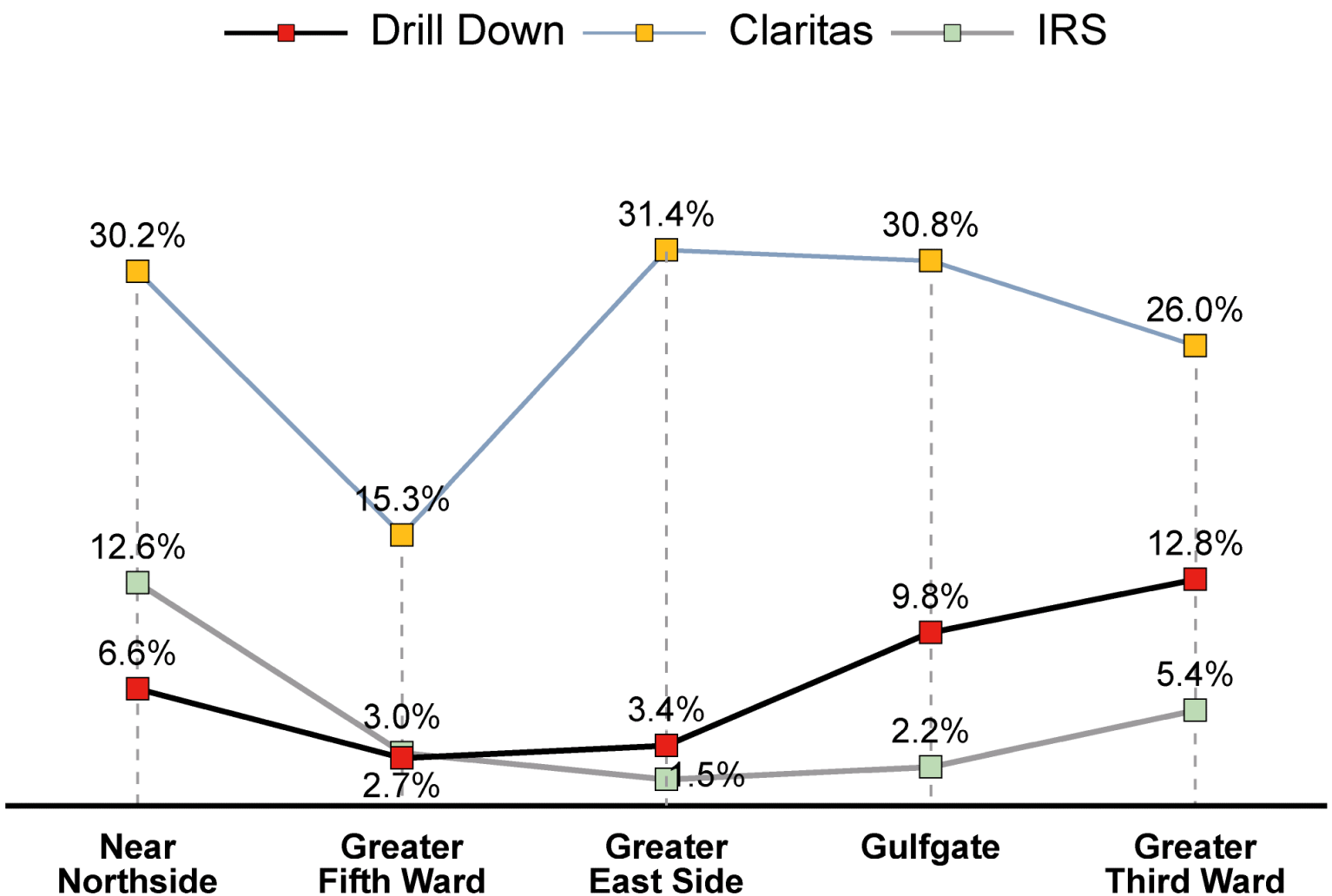


Drill Down Median Household Income



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Households with incomes over \$50,000 by group



Drill Down Households with Income over \$50,000

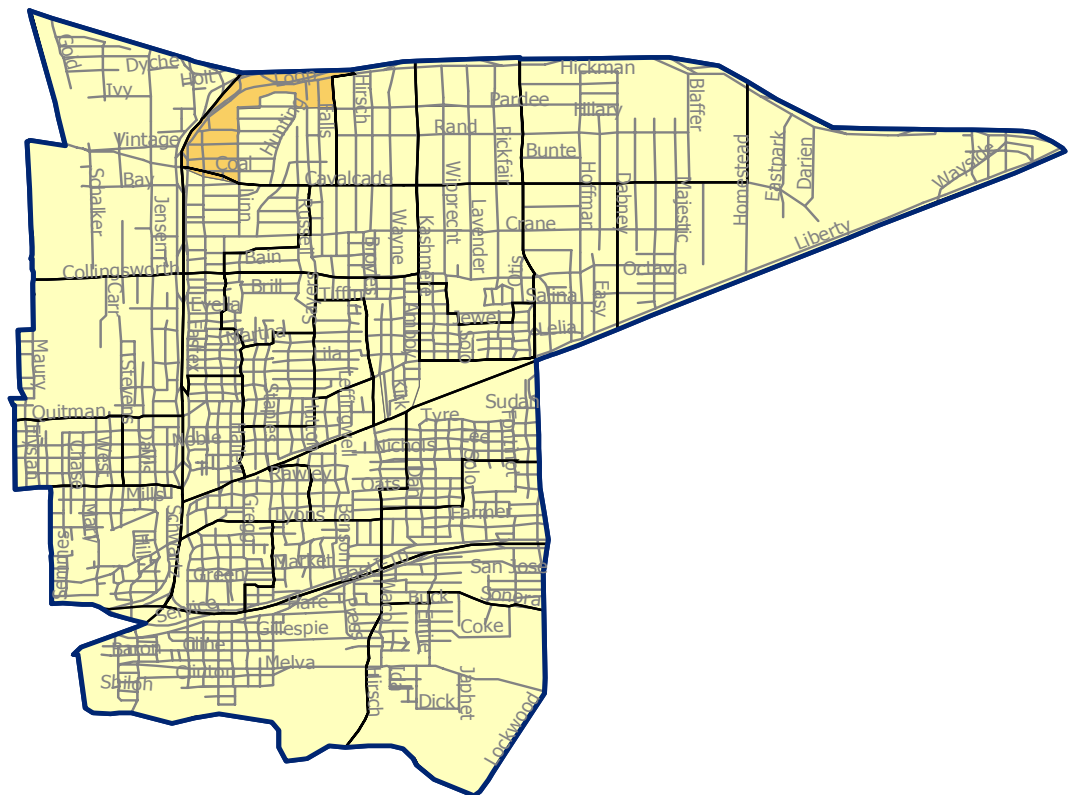


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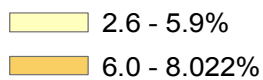
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Greater Fifth Ward

Drill Down Households with Income over \$50,000 Based on IRS Scale



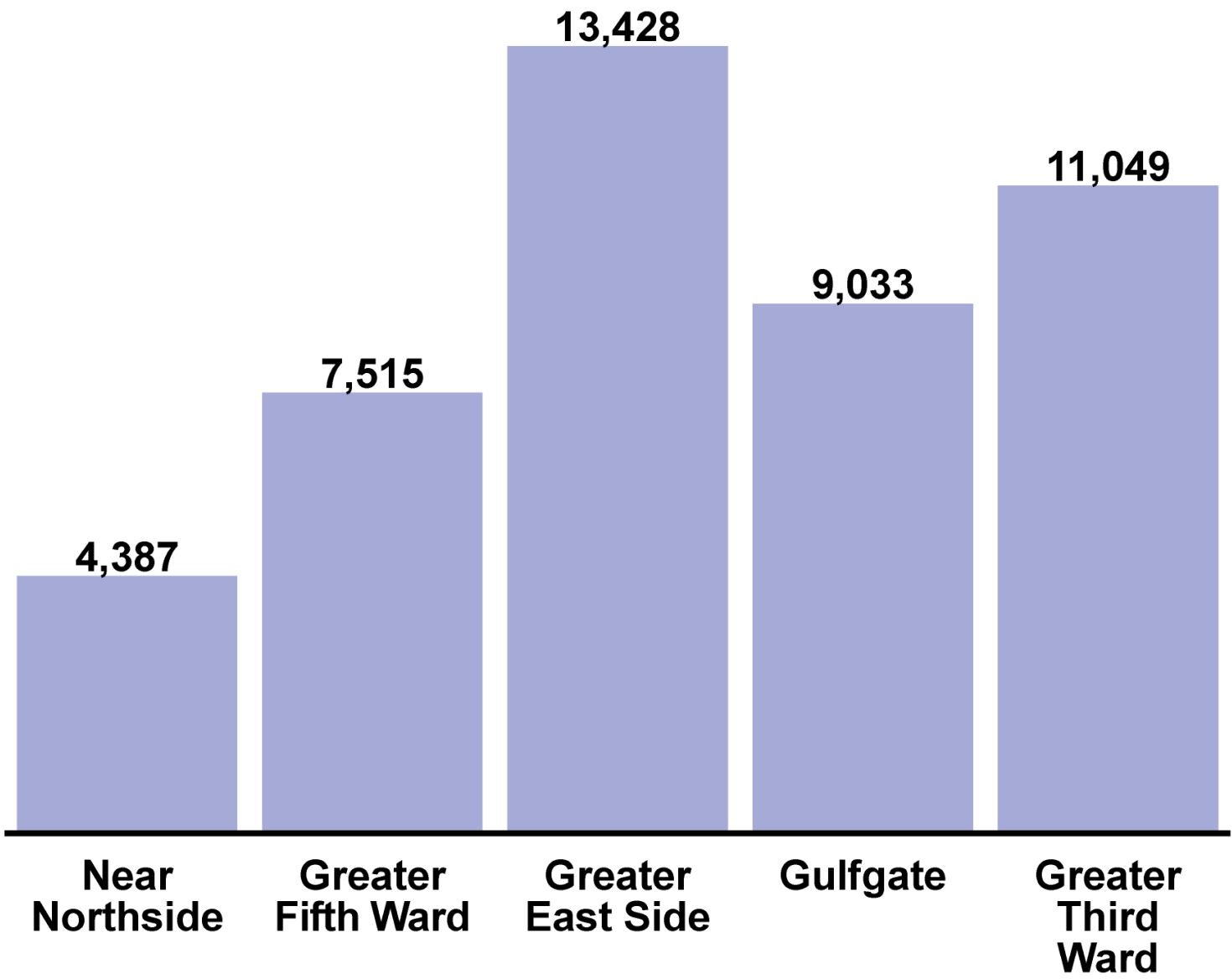
Percentage of Households



15,804 households

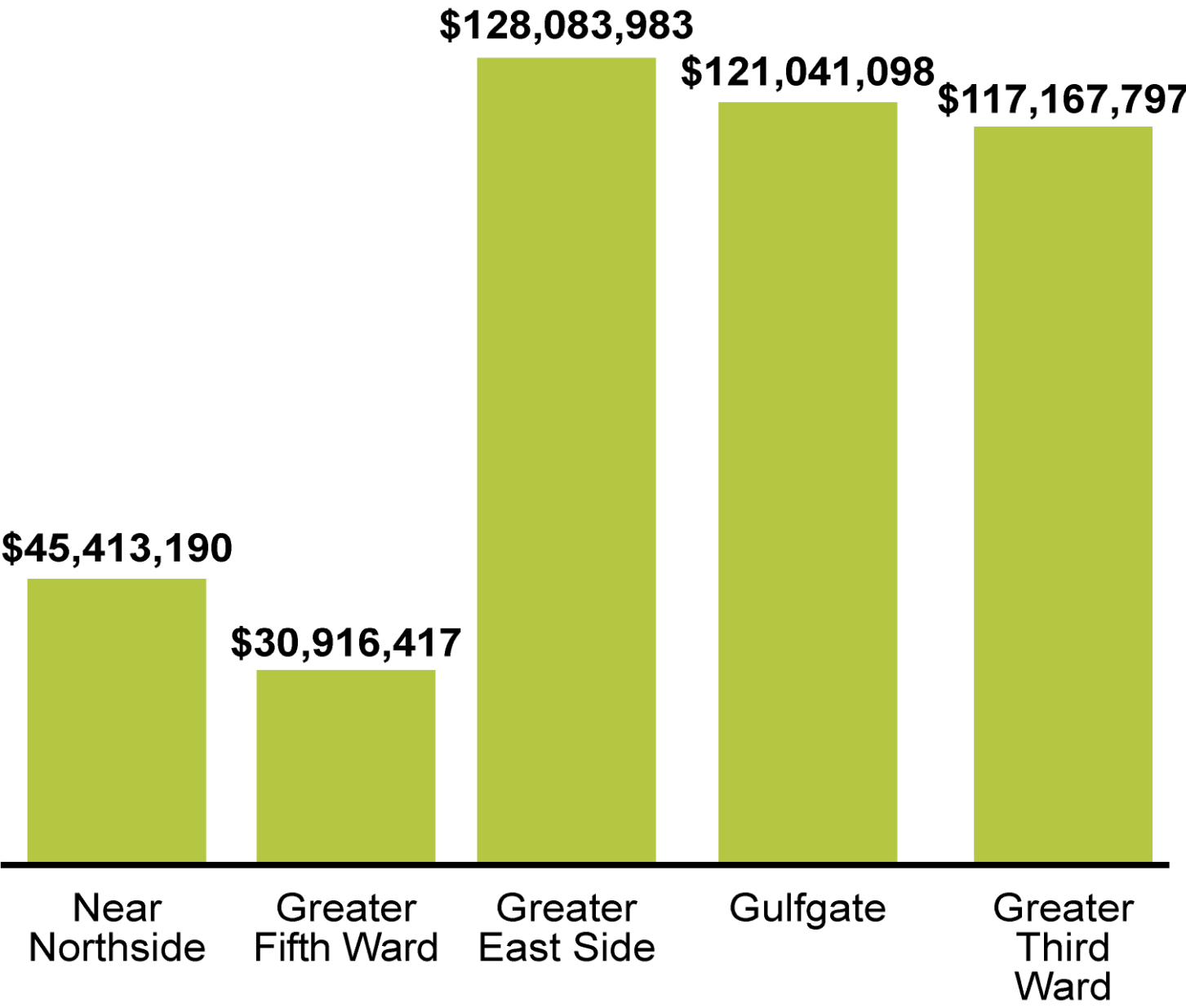
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Households without documented banking relationship by group



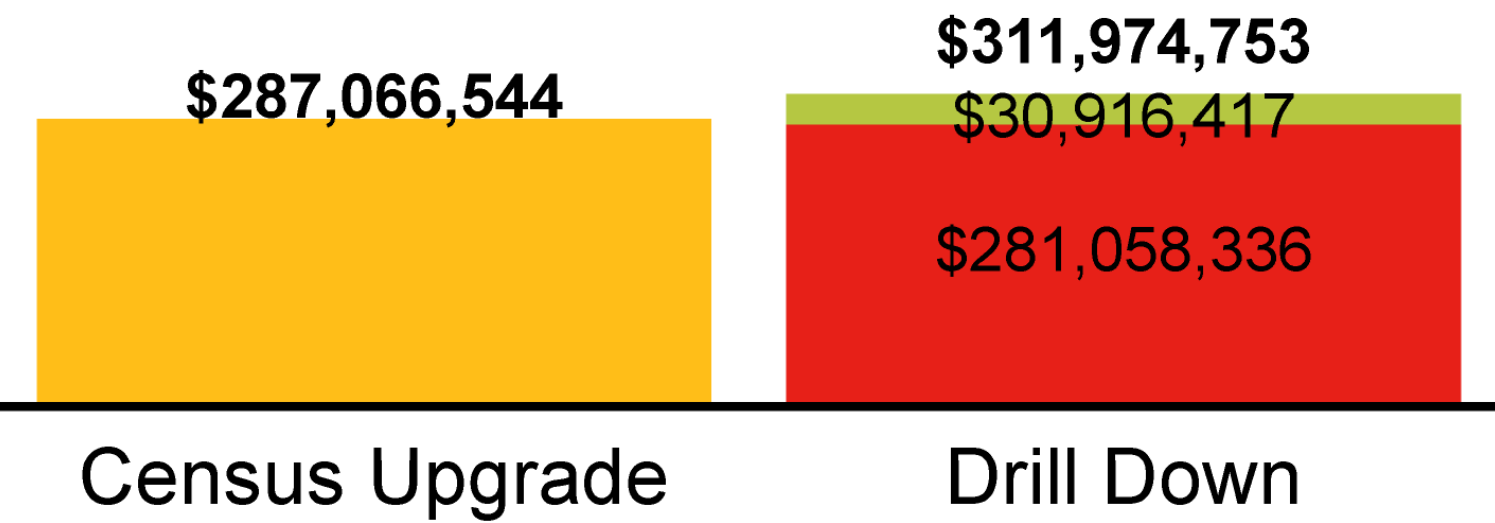
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Cash economy by group



Houston – Greater Fifth Ward

Aggregate expenditure capacity



**Single Family
Home Sales Date
Jan 2000 - June 2001**



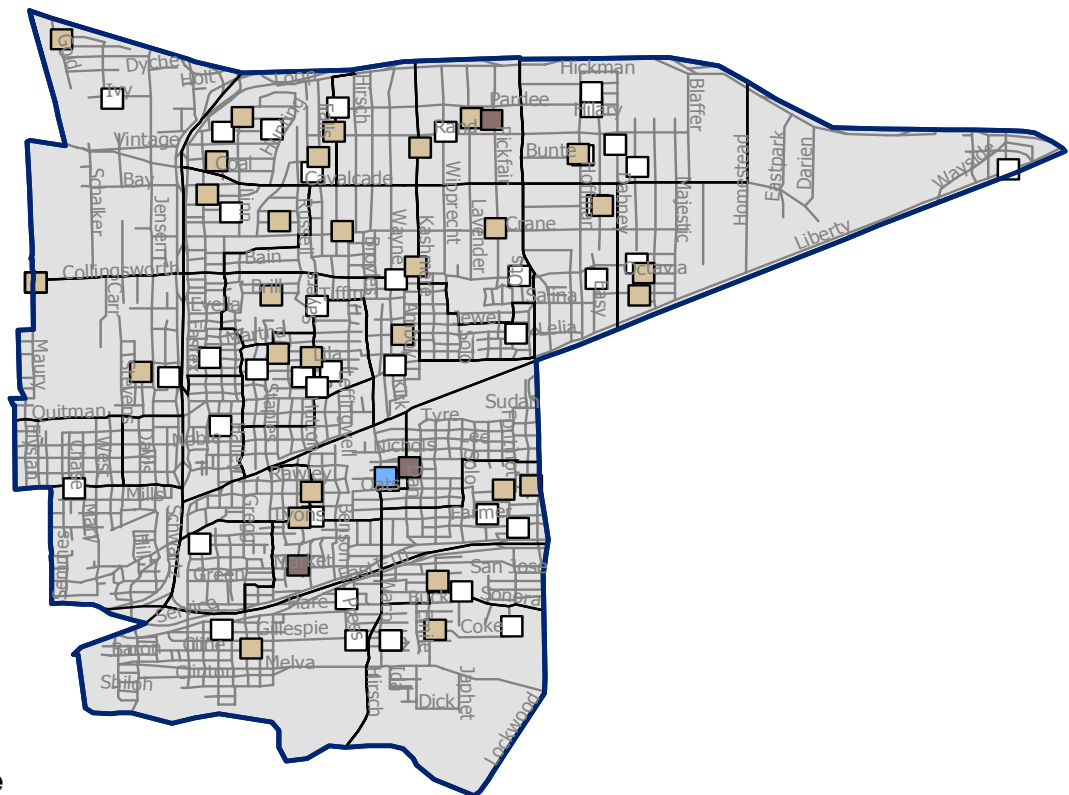
- 1st - 2nd Quarter 2000 (44)
- 3rd- 4th Quarter 2000 (64)
- 1st - 2nd Quarter 2001 (43)

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**Single Family
Home Sales Value
Jan 2000 - June 2001**



Sale Price

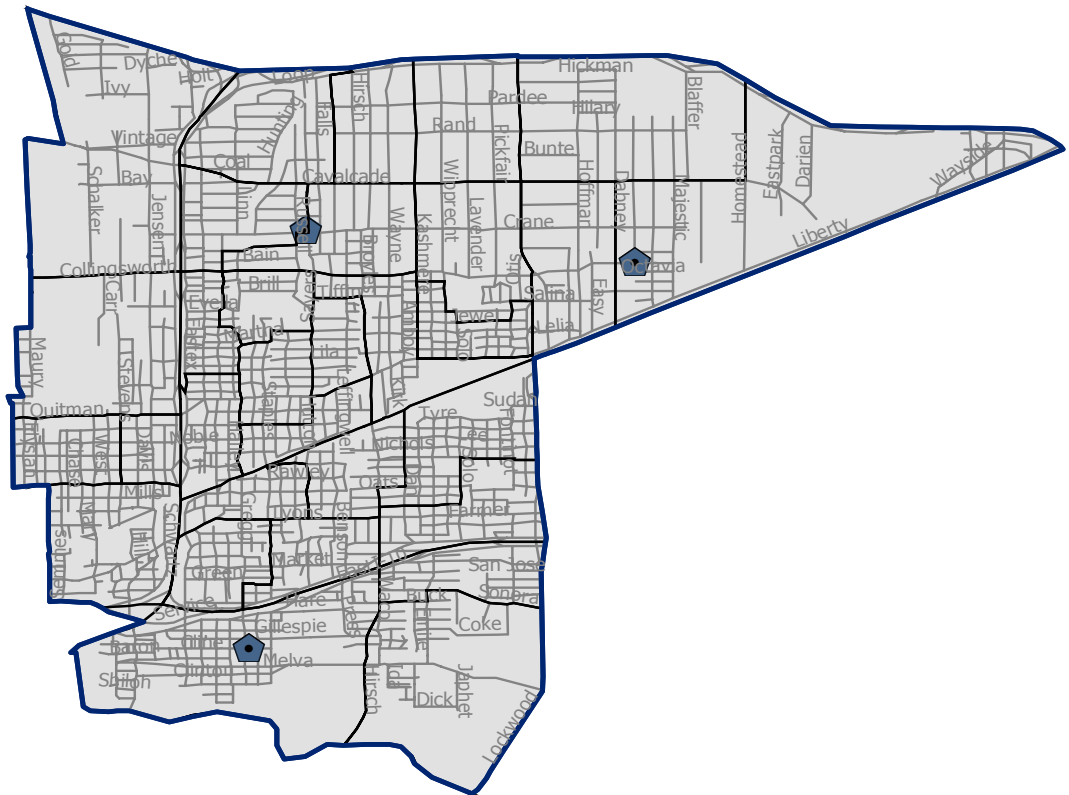
- unknown value (74)
- Less than \$50,000 (41)
- \$50,000 - \$99,999 (32)
- \$100,000 - \$149,999 (3)
- \$150,000 - \$499,999 (1)

151 total single family home sales

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Greater Fifth Ward

Properties that Flipped* Jan 2000 - June 2001



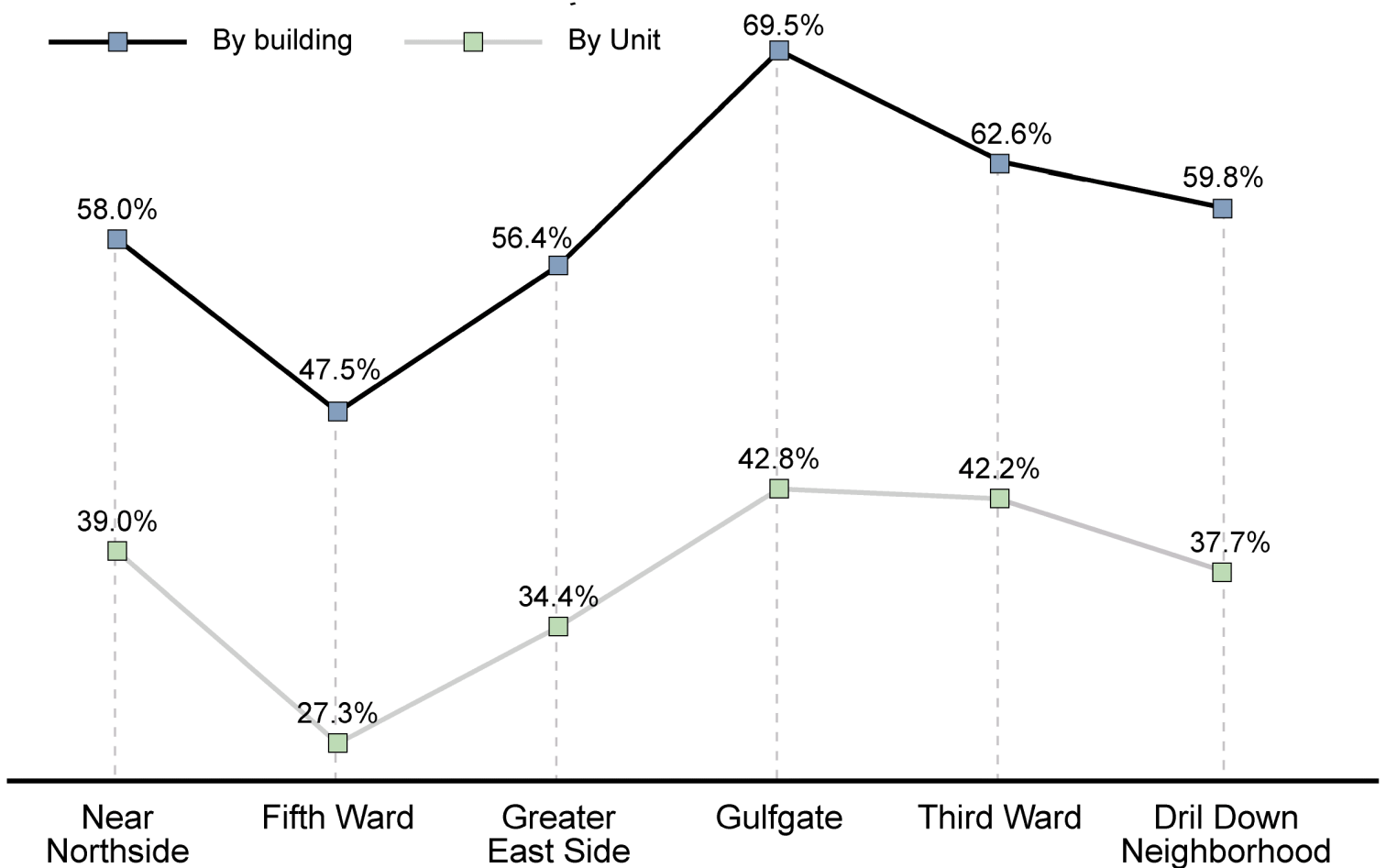
 = flipped property

3 total flipped properties

***a property is flipped when it is purchased and quickly resold for a large profit.**

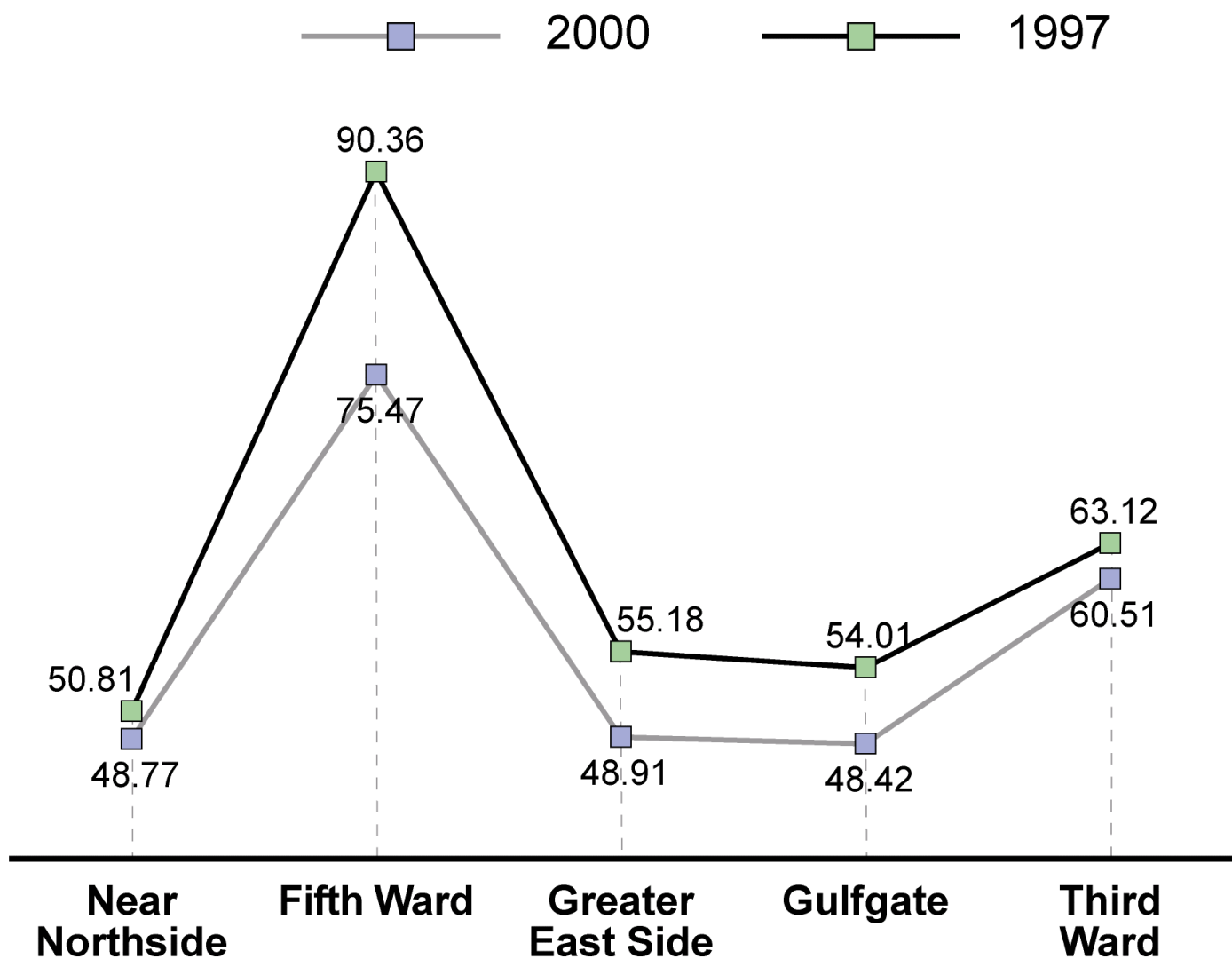
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Owner Occupancy by group



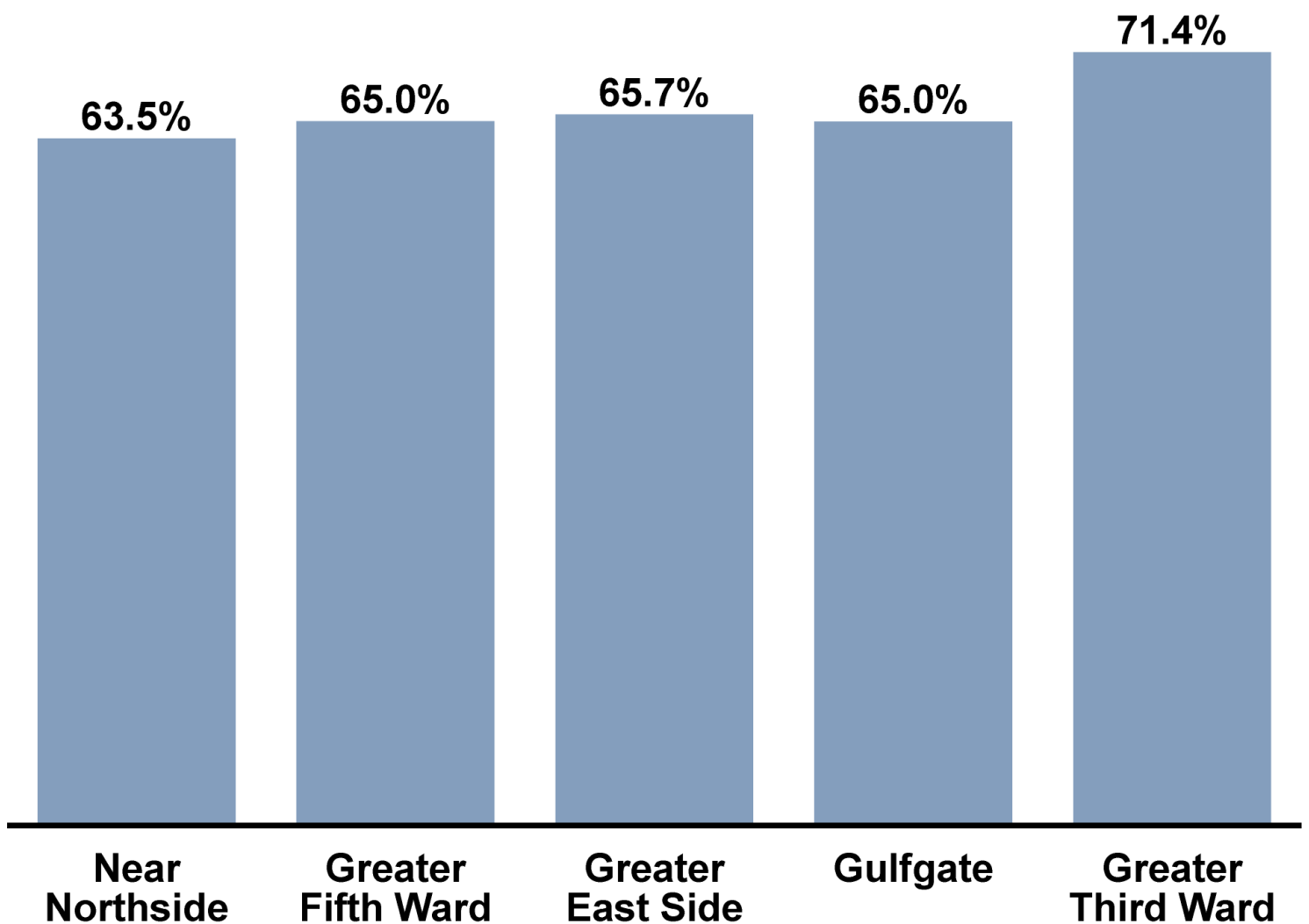
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Total incidents of crime by group (2000 versus 1997)



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Percentage of businesses with history over three years



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Number of businesses in Drill Down Super Neighborhoods

